

HOUSE BILL No. 2046

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-3.

Synopsis: Graduated income tax; supplemental net income tax. Establishes a graduated individual income tax that ranges from 3.4% of adjusted gross income of less than \$50,000 for a husband and wife filing a joint return and \$30,000 for a person filing a single return to 8.5% of adjusted gross income of at least \$100,000 for a husband and wife filing a joint return and \$60,000 for a person filing a single return. Entitles an individual to an adjusted gross income tax credit in the amount of \$25 per \$1,000 exemption allowed for the individual, spouse, and dependents. Increases the supplemental corporate net income tax to 5.5%. (The current tax rate is 4.5%.)

Effective: January 1, 2000.

Liggett

January 27, 1999, read first time and referred to Committee on Ways and Means.



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First Regular Session 111th General Assembly (1999)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 1998 General Assembly.

HOUSE BILL No. 2046

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

Be it enacted by the General Assembly of the State of Indiana:

SECTION 1. IC 6-3-2-1 IS AMENDED TO READ AS FOLLOWS
[EFFECTIVE JANUARY 1, 2000]: Sec. 1. (a) Each taxable year, a tax
at the rate of three and four-tenths percent (3.4%) of adjusted gross
income is imposed upon the adjusted gross income of every resident
person and on that part of the adjusted gross income derived from
sources within Indiana of every nonresident person. **The tax is
determined as follows:**

(1) In the case of a person filing a single return:

Portion of Adjusted Gross Income	Tax Rate
Less than \$30,000	3.4%
At least \$30,000 but less than \$42,000	5.3%
At least \$42,000 but less than \$60,000	7.5%
At least \$60,000	8.5%

(2) In the case of a husband and wife filing a joint return:



1	Portion of Adjusted	Tax Rate
2	Gross Income	
3	Less than \$50,000	3.4%
4	At least \$50,000	
5	but less than \$70,000	5.3%
6	At least \$70,000	
7	but less than \$100,000	7.5%
8	At least \$100,000	8.5%
9	(b) Each taxable year, a tax at the rate of three and four-tenths	
10	percent (3.4%) of adjusted gross income is imposed on that part of the	
11	adjusted gross income derived from sources within Indiana of every	
12	corporation.	
13	SECTION 2. IC 6-3-3-11 IS ADDED TO THE INDIANA CODE	
14	AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE	
15	JANUARY 1, 2000]: Sec. 11. Each year, an individual is entitled to	
16	a credit against the tax imposed by IC 6-3-2 in an amount equal to	
17	the product of:	
18	(1) the number of exemptions allowed to the individual under	
19	IC 6-3-1-3.5(a)(3) and IC 6-3-1-3.5(a)(4); multiplied by	
20	(2) twenty-five dollars (\$25).	
21	SECTION 3. IC 6-3-8-4.1 IS AMENDED TO READ AS	
22	FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 4.1. The rate of	
23	the supplemental net income tax is four five and five-tenths percent	
24	(4.5%) . (5.5%) .	
25	SECTION 4. [EFFECTIVE JANUARY 1, 2000] IC 6-3-2-1 and	
26	IC 6-3-8-4.1, both as amended by this act, and IC 6-3-3-11, as	
27	added by this act, apply only to taxable years beginning after	
28	December 31, 1999.	

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